

<i>SERFF Tracking Number:</i>	<i>CNAC-126164098</i>	<i>State:</i>	<i>District of Columbia</i>
<i>Filing Company:</i>	<i>American Casualty Company of Reading - PA</i>	<i>State Tracking Number:</i>	
<i>Company Tracking Number:</i>	<i>09-00025-RL</i>		
<i>TOI:</i>	<i>11.0 Medical Malpractice - Claims</i>	<i>Sub-TOI:</i>	<i>11.0000 Med Mal Sub-TOI Combinations</i>
	<i>Made/Occurrence</i>		
<i>Product Name:</i>	<i>Healthcare Providers Services Organization Program</i>		
<i>Project Name/Number:</i>	<i>HPSO RPG/2009040233</i>		

Filing at a Glance

Company: American Casualty Company of Reading - PA		
Product Name: Healthcare Providers Services Organization Program		
SERFF Tr Num: CNAC-126164098 State: District of Columbia		
TOI: 11.0 Medical Malpractice - Claims	SERFF Status: Assigned	State Tr Num:
Made/Occurrence		
Sub-TOI: 11.0000 Med Mal Sub-TOI	Co Tr Num: 09-00025-RL	State Status:
Combinations		
Filing Type: Rate	Co Status:	Reviewer(s): Robert Nkojo
	Author: JC Lockhart	Disposition Date:
	Date Submitted: 06/05/2009	Disposition Status:
Effective Date Requested (New): 07/15/2009		Effective Date (New):
Effective Date Requested (Renewal): 10/15/2009		Effective Date (Renewal):
State Filing Description:		

General Information

Project Name: HPSO RPG	Status of Filing in Domicile: Pending
Project Number: 2009040233	Domicile Status Comments: Filing being submitted countrywide, simultaneously
Reference Organization: n/a	Reference Number: n/a
Reference Title: n/a	Advisory Org. Circular: n/a
Filing Status Changed: 07/02/2009	
State Status Changed:	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
American Casualty Company of Reading, Pennsylvania submits for your review and approval the attached filing for use with our Healthcare Providers Services Organization Program currently on file with your department.	

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Company Tracking Number: 09-00025-RL
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Made/Occurrence
Product Name: Healthcare Providers Services Organization Program
Project Name/Number: HPSO RPG/2009040233

Company and Contact

Filing Contact Information

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Filing Company Information

American Casualty Company of Reading - PA CoCode: 20427 State of Domicile: Pennsylvania
40 Wall Street Group Code: 218 Company Type:
8th Floor
New York, NY 10005 Group Name: State ID Number:
(212) 440-3478 ext. [Phone] FEIN Number: 23-0342560

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Casualty Company of Reading - PA	\$0.00		

SERFF Tracking Number:	CNAC-126164098	State:	District of Columbia
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Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	10/07/2008
Filing Method of Last Filing:	File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
American Casualty Company of Reading - PA	%	3.400%	\$6,718	901	\$196,030	%	%

SERFF Tracking Number: CNAC-126164098 State: District of Columbia

Filing Company: American Casualty Company of Reading - PA State Tracking Number:

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TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations
Made/Occurrence

Product Name: Healthcare Providers Services Organization Program

Project Name/Number: HPSO RPG/2009040233

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
	Countrywide Manual Pages	1-17	Replacement	CNAC-125488193	CW Pages 2009 FINAL.pdf
	State Exception Pages	1-3	Replacement	CNAC-125488193	HPSO DC State Pages.pdf

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

I. APPLICATION OF MANUAL RULES

- A. The rules contained in these pages shall govern the writing of Professional Liability policies for Healthcare Provider specialties described in Section XV below.
- B. The rules, rates, rating plans and forms filed on behalf of the Company and not in conflict herewith, shall govern in all cases not specifically provided for herein.

II. POLICY TERM

Policies may be written for a term of one year, and renewed annually thereafter.

III. PREMIUM COMPUTATION

- A. Compute the premium at policy inception using the rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for other than a whole year.
- C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

IV. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

V. WHOLE DOLLAR RULE

In the event the rating procedure does not result in a whole dollar:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- B. any amount involving \$.49 or less shall be rounded down to the next lower whole dollar amount.

VI. ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.

VII. RETURN PREMIUM

- A. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- B. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.

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VIII. DECREASED LIMITS OF LIABILITY

When lower limits are offered, they will be provided on the following basis:

Limits of Liability	Decreased Limit Factor
\$100,000 / \$300,000	.64
\$100,000 / \$500,000	.65
\$200,000 / \$600,000	.69
\$250,000 / \$750,000	.71
\$200,000 / \$1,000,000	.71
\$500,000 / \$500,000	.76
\$500,000 / \$1,000,000	.79
\$500,000 / \$2,500,000	.83
\$1,000,000 / \$1,000,000	.94
\$1,000,000 / \$2,000,000	.95
\$1,000,000 / \$3,000,000	.96
\$1,000,000 / \$5,000,000	.98

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

IX. INCREASED LIMITS OF LIABILITY

When higher limits are offered, they will be provided on the following basis:

Limits of Liability	Increased Limit Factor	Minimum Premium
\$1,000,000 / \$7,000,000	1.02	\$25
\$1,000,000 / \$8,000,000	1.03	\$30
\$2,000,000 / \$4,000,000	1.15	\$40
\$2,000,000 / \$5,000,000	1.17	\$50
\$2,000,000 / \$6,000,000	1.18	\$65
\$2,000,000 / \$7,000,000	1.19	\$75
\$2,000,000 / \$8,000,000	1.20	\$80

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

X. POLICY CANCELLATIONS

Return premium will be computed pro-rata in accordance with the Whole Dollar Rule using the rules, rates and rating plans in effect at the inception of this policy period.

XI. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the insured agrees in writing; and
- B. the policy would not be written otherwise.

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HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

XII. EXTENDED REPORTING PERIOD COVERAGE (Claims Made Only)

If this policy is cancelled or non-renewed and subject to the following provisions, an extension period, for the purpose of reporting a claim, will be provided automatically for 60 days, and may be extended beyond that as governed by the following rules:

- A. The limits of liability may not exceed those afforded under the terminating policy.
- B. Extended Reporting Period Coverage will be available to the named insured shown on the certificate of insurance.
- C. Should the named insured terminate coverage under this policy, and desire Extended Reporting Period Coverage beyond the automatic 60 days, notice must be given to the Company, along with payment of the applicable premium, within 60 days.
- D. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.
- E. Upon termination of coverage under this policy by reason of disability or retirement by the named insured, Extended Reporting Period Coverage will be granted for no additional charge provided that, during the policy period:
 - 1. total and permanent disability occurs; or
 - 2. the named insured retires during the policy period and:
 - a. is 55 years of age or older and has been insured by this Company for at least 5 years of claims-made coverage; or
 - b. has been insured by us for at least 10 years of claims-made coverage.
- F. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period Coverage.
- G. In the event the policy is canceled, any return premium due the named insured shall be credited toward the premium for Extended Reporting Period Coverage, if the named insured elects this coverage. If any premium is due for the period of time between the earlier of the policy's Prior Acts date or effective date and the termination date, any monies received by the Company from the named insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period Coverage.
- H. There is no right to any extended reported period coverage if this policy is cancelled for non payment of premium, non compliance with any of the terms and condition of this policy or for any misrepresentation or omission in the application for this policy.
- I. Extended Reporting Period Coverage will be granted with the following discounts, subject to the Extended Reporting Provisions of the Policy and the following schedule:

Consecutive Years of Coverage with ACCO	Discount
10	Free
9	90%
8	80%
7	70%
6	60%
5	50%
4	40%
3	30%
2	20%
1	10%

**COMPANY PAGES FOR
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AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

- J. The factors in the following table shall be applied to the mature claims-made rate in effect at the beginning of the current policy period:

Years of Prior Claims Made Coverage	Installment Factors Years			Prepaid Factors
	1	2	3	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87

XIII. PRIOR ACTS COVERAGE (Occurrence only)

The policy may be extended to provide prior acts coverage as follows:

- A. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims made policy, nor shall limits of liability exceed those of the claims-made policy or the occurrence policy to which the prior acts endorsement shall be applied.
- B. The premium for Prior Acts Coverage is a one time only charge payable in advance or over the first three policy years in annual installments, but calculated in advance by applying the applicable factors from the table below to the current rate under this policy for limits of \$1,000,000/6,000,000 per occurrence.
- C. If the limit of liability under this coverage is other than \$1M/6M per occurrence, the premium developed under B above shall be adjusted by the appropriate increased or decreased limits factor.
- D. The premium will be charged annually, but calculated in advance:
 1. Determine the current premium under this policy for limits of \$1M/6M per occurrence;
 2. Enter the factor for the appropriate Prior Acts Period;
 3. Apply factor (s) successively for the desired number of years of Prior Acts;
 4. Apply the appropriate Increased/Decreased Limits Factor.

Prior Acts Period	1 st Year	2 nd Year	3 rd Year	Prepaid Factors
1 year prior	.47	.28	.26	0.94
2 years prior	.70	.43	.40	1.42
3 years prior	.81	.44	.46	1.64
4+ years prior	.87	.53	.50	1.76

XIV. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer to the named insured various premium payment options, ranging from monthly to annual payment plans. Some of the premium payment plans may result in a service fee of \$5 per payment.

**COMPANY PAGES FOR
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XV. ISO CLASSIFICATION CODES

Class	Description	ISO CODE
I	A Occupational Therapists	80721
	Occupational Therapy Assistant	80721
	Certified Occupational Therapy Assistant	80721
	B Respiratory Care Provider	80717
	Respiratory Therapist	80717
	C Respiratory Therapist Technician/Technologist	80717
	Chiropractic Assistant	80411
	Optometric Technician/Assistant	80944
	Podiatric Assistant	80943
Class	Description	ISO CODE
II	Art Therapist	80967
	Dance Therapist	80967
	Music Therapist	80967
	Recreation Therapist	80945
Class	Description	ISO CODE
III	A LPN/LVN	80963
	Registered Nurse	80964
	B Dietician	80720
	Nutritionist	80720
	C Bio-medical Technician/Technologist	80719
	Blood Bank Technician/Technologist	80719
	Cardiology Technician/Technologist	80719
	Certified Lab Technician/Technologist	80711
	Certified Medical Assistant	80719
	Clinical Lab Technician/Technologist	80711
	Community Health Assistant	80719
	Community Health Technician/Technologist	80719
	Diagnostic Medical Sonographer	80719
	Dialysis Technician/Technologist	80719
	EEG Technician/Technologist	80719
	EKG Technician/Technologist	80719
	Electrologist	80719
	Histologic Technician/Technologist	80719
	Medical Assistant	80719
	Medical Laboratory Technician/Technologist	80711
	Medical Records Administrator	80711
	Medical Records Technician/Technologist	80719
	Medical Technician	80719
	Medical Technician/Technologist Assistant	80719
	Medical Technologist	80719

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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE
III C	Mental Retardation Workers	80711
	Nuclear Medical Technician/Technologist	80719
	Phlebotomist	80719
	Radiation Therapist	80713
	Radiology Technician/Technologist	80719
	Surgical Technician/Technologist	80129
	X-Ray Machine Operator	80713
D	Home Health Aide	80618
E	Clinical Nurse Specialist-No Prescriptive Authority	80965
Class	Description	ISO CODE
IV A	Pharmacist	59112
	Pharmacy Technician	59112
	Pedorthist	80943
Class	Description	ISO CODE
V	Circulation Tech	80945
	Perfusionist	80945
Class	Description	ISO CODE
VI A	Massage Therapist	80718
	Enterostomal Therapist	80945
	Orthopedic Assistant	80943
Class	Description	ISO CODE
VII A	Athletic Trainer	80945
	Exercise Physiologist	80945
	Fitness Professional	80945
	Health Educator	80711
	Kinesiologist	80945
	Personal Trainer, Certified	80945
	Sports Medicine Instructor	80945
Class	Description	ISO CODE
VIII A	Paramedic	80723
	Basic / Intermediate Emergency Medical Technician	80723
	Volunteer Emergency Medical Technician	80723
Class	Description	ISO CODE
IX A	Physical Therapist	80995
	Rehabilitation Therapist	80995
	Kinesiotherapist	80945
	Sports Medicine Therapist	80945
	Corrective Therapist	80945
B	Physical Therapist Assistant	80995
	Rehabilitation Assistant	80995

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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE
X	No specialties in this class	

Class	Description	ISO CODE
XI	Nurse Practitioners/Clinical Nurse Specialists	
A	Adult / Geriatric / Family Planning / Gynecology / Women's Health / Adult Oncology	80965
B	Psychiatric	80965
C	Pediatric / Neonatal / Family Practice / Acute Critical Care,	80965
D	Obstetrics / Gynecology / Perinatal / Acute Care Obstetrics,	80965
E	Nurse Practitioner Student	80965
F	Clinical Nurse Specialist - Educator, Consultant, Administrator and Researcher	80965

Class	Description	ISO CODE
XII	Audiologists	80716
	Speech Language Pathologist	80716
	Speech Hearing Therapist	80716

Class	Description	ISO CODE
XIII	Dental Hygienists	80712

Class	Description	ISO CODE
XIV	Dental Assistants	80712
	Laboratory Aide	80711
	Nurses Aide	80964
	Geriatric Nursing Assistant	80963
	Nursing Assistant	80963
	Physical Therapy Aide	80995
	Other Healthcare Aide (Excluding Home Health Aides)	80711

Class	Description	ISO CODE
XV	A Social Worker Clinical	80723
	B Psychotherapist / Psychologist	80723
	C Alcohol/Drug Counselor	80723
	Case Manager	72990
	Clinical/Rehabilitation Counselor	80723
	Pastoral Counselor	80723
	School Counselor	80723
	D Marriage/Family Counselor	80723

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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE
XVI A	Physician Assistant Class 1 A PA who performs tasks ordinarily reserved for the Physician and who works under the direction and supervision of a licensed physician to assist the physician in the management of patients.	80116
B	Physician Assistant Class 2 A PA who is involved in any of the following: Assisting in surgery (other than observation) Trauma/Emergency room procedures/responsibilities (10 hours or less per week) Prenatal or Postnatal care Assisting in anesthesiology	80116
C	Physician Assistant Class 3 A PA who is involved in any of the following: Orthopedic surgery OB/GYN Surgery Cardiovascular Surgery Thoracic Surgery Trauma/Emergency Room – Greater than 10 hours/week OB including delivery room responsibilities Exposure to Cardiac Catheterization lab	80116
D	Physician Assistant Student	80116
E.	Registered Radiologist Assistant	80116

Class	Description	ISO Code
XVII A	Acupuncturist	80966
B	Acupuncturist Student	80966

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XVI. CALCULATION OF PREMIUM

- A. The premium for the policy shall be the sum of the applicable charges developed below:
- B. If more than one classification is applicable, the higher rated classification will be used for rating.
- C. The annual occurrence form base rate for each Healthcare Provider is stated on the state rate page.
- D. The annual claims made form rate for each Healthcare Provider shall be determined for Classes I through XVI as follows:
 1. If the Healthcare Provider is just entering practice, or the Healthcare Provider has continuously been insured under an occurrence policy, enter the step rate factor from the table at the year one level.
 2. If the Healthcare Provider has been insured under a claims-made policy, for one or more years immediately preceding the effective date of this coverage, or for reasons acceptable to the Company had been uninsured, the following procedure shall apply:
 - a. determine the number of years in which the Healthcare Provider was covered under such claims-made policy (ies);
 - b. determine the number of years in which the Healthcare Provider was uninsured;
 - c. the sum of years developed in a. and b. shall be the base exposure. Fractional years of six months or more of base exposure shall be rounded to the next higher year; less than six months shall be rounded to the next lower year;
 - d. the sum of years developed in c. above shall be the Years of Prior Exposure. The table is entered at the total prior Years of Exposure, plus one.

The factors in the following table shall be applied to the full time Class I though XVII rate, found on the State Page:

	Step Rate Factors				
Class	Year 1	Year 2	Year 3	Year 4	Year 5
I through XVII	.32	.57	.77	.84	.99

XVII. SCHEDULE RATING

When applicable, apply the appropriate debit or credit based upon the following risk characteristics, subject to state specific limitations regarding on Schedule Rating:

	<u>CREDIT</u>	<u>DEBIT</u>
<i>Procedure Mix</i>	0 - 25%	0 - 25%
Applicable to insureds whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty.		
<i>Exposure Modification</i>	0 - 25%	0 - 25%
Applicable to those insureds who have an increased or reduced exposure.		
<i>Unusual Risk Characteristics</i>	0 - 25%	0 - 25%
<i>Continuing Education</i>	0 - 25%	0 - 25%
Applicable to insureds who are involved in a CNA approved continuing education program other than risk management programs.		

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XVIII. RULES FOR INDIVIDUALS

The following rules apply to eligible employed individuals and self employed non incorporated individuals only:

A. Coverage

The following coverage will be provided:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others;
9. Workplace Liability; and
10. Personal Liability.

B. The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability			
Professional Liability	\$ 1,000,000	Each claim	\$ 6,000,000	aggregate
Good Samaritan Liability	\$ included in PL limit above			
Personal Injury Liability	\$ included in PL limit above			
Malplacement Liability	\$ included in PL limit above			
License Protection	\$ 10,000	per proceeding	\$ 25,000	aggregate
Defendant Expense Benefit	\$		\$ 10,000	aggregate
Deposition Representation	\$ 2,500	per incident	\$ 5,000	aggregate
Assault	\$ 10,000	per incident	\$ 25,000	aggregate
Medical Payments	\$ 2,000	per person	\$ 100,000	aggregate
First Aid	\$		\$ 2,500	aggregate
Damage to Property of Others	\$ 500	per incident	\$ 10,000	aggregate
Personal Liability	\$		\$ 1,000,000	aggregate
Workplace Liability	\$ included in PL limit above			

C. Supplemental Modifications – Individuals

At no time will the total credit under this section exceed 50%.

1. New Healthcare Providers

A new Healthcare Provider is defined as a Healthcare Provider who has completed the training in their specialty within the previous twelve (12) months, and who is applying for coverage as a non-incorporated individual. The credit will be a 50% credit for the first year or 25% for nurse practitioners. If application of the credit results in a rate which is less than the rate for another specialty for which the Healthcare Provider is covered, the higher rate will apply without discount.

This credit is not available if the policy is issued as claims made.

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2. Additional Insureds

Where eligible, additional insured coverage may be added on a shared limit of liability basis. The rate will be 5% of the policy premium each, subject to a minimum premium of \$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

3. Part Time

Individual Healthcare Provider who works 24 or fewer hours per week may be eligible for restricted coverage at a rate reduction of 50% subject to a minimum premium. Physician Assistants will be eligible for restricted coverage at a rate reduction of 35% subject to a minimum premium.

- a. When part time rates result in an amount that is less than \$100, the rate will be the lesser of either the individual's full time base rate or \$100.
- b. Part time rate is available to an employed individual who works 24 or fewer hours per week in a self-employed capacity for that individual's self-employed pursuits.
- c. The part time rate reduction is not available for nurse practitioners and may be further restricted by underwriting guidelines.

4. Retirement/Leave

An Individual Healthcare Provider who is not actively employed as a Healthcare Provider but maintains an active license may be eligible for restricted coverage at a rate reduction of 50%. The reduced rate may be applied retroactively to the first day of retirement/leave, on the condition that the Company is notified within ten (10) days of the retirement/leave. If the company is notified at a later date, the discount may be applied as of the date the Company received the notice. This credit will not apply to firms or self employed incorporated individuals.

5. Individual Risk Management Credit

A credit of 10% will be applied to the annual premium applicable to an individual Healthcare Provider who:

- a. attends a CNA approved loss prevention seminar, workshop, or other loss prevention program. Such credit will be applied for a three year period; or
- b. provides evidence of CNA approved; association membership, or achievement of healthcare specialization certification, or attendance at course work during an association or healthcare specialty conference/meeting - each intended to promote enhanced risk management practice and patient safety. Such credit will be eligible for annual application.

6. Consulting Services Liability

Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Healthcare Provider's area of specialization.

7. Case Management Services Liability

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, managing a patient's total care to ensure optimum outcome or utilization review.

8. Damage to Property of Others

Optional Damage to Property of Others aggregate limit may be increased to \$25,000 for a charge of \$50.00.

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XIX. RULES FOR FIRMS

The following rules are applicable to Firms. Firms include corporations, partnerships, organizations, sole proprietorship or self employed incorporated individuals.

A. Coverage

The following coverage will be provided to Firms on a shared limit of liability basis:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others

B. Limits of Liability

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability	
Professional Liability	\$ 1,000,000 each claim	\$ 6,000,000 aggregate
Good Samaritan Liability	\$ included in PL limit above	
Personal Injury Liability	\$ included in PL limit above	
Malplacement Liability	\$ included in PL limit above	
License Protection	\$ 10,000 per proceeding	\$ 25,000 aggregate
Defendant Expense Benefit	\$	\$ 10,000 aggregate
Deposition Representation	\$	\$ 10,000 aggregate
Assault	\$ 10,000 per incident	\$ 25,000 aggregate
Medical Payments	\$ 2,000 per person	\$ 100,000 aggregate
First Aid	\$	\$ 2,500 aggregate
Damage to Property of Others	\$ 2,500 per incident	\$ 10,000 aggregate

General Liability is available as an optional coverage.

C. Firm Rates & Policy Minimum

1. The base rate for each healthcare professional will be the higher of the self employed rate shown on the State Rate page or \$300 each.
2. The base rate for each aide, technician or assistant will be the higher of the self employed rate shown on the State Rate page or \$175.
3. The base rate for home healthcare aide will be \$100 each.
4. The following minimum premium per policy shall apply to all firm policies except self-employed incorporated individuals with no employees. For these individuals, the self employed individual rate as shown on the State Rate Page shall apply as the Minimum.

Nurse Practitioner Firm	\$ 2,500
Physical Therapy Firms of 15 or more	\$5,000

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

All other Firms of 2 or more headcount

\$ 500

D. Full Time Equivalents (FTE)

For calculating headcount, where applicable, full time equivalents may be utilized for Firms. Full time is defined as 40 hours a week. The total number of hours per week for each profession will be divided by 40 to determine the number of full time equivalents for that profession.

The full time equivalent rule is subject to minimum policy premium and minimum headcount to FTE ratios.

E. Supplemental Modifications - Firms

1. Size of Business

A credit will be given based on the number of Healthcare Providers associated with the business. The following will be applied:

# of providers	Credit
2 - 9	4%
10 - 14	8%
15 or more	12%

2. Business Loss Prevention Credit

A credit of 5% will be applied to a firm who maintains a CNA approved loss prevention program, seminar or workshop for its employees. This credit will be applied for a one year period, and will be reviewed annually.

3. Debits will be added based on the presence of the following:

Category	Debit
Registry/Staffing	A surcharge of 25% of developed premium before debits/credits will be added to Firms that provide staffing to other facilities, firms or locations.
Background Check	A surcharge of 10% of developed premium before debits/credits will be added to Firms not performing background checks on their employees and independent contractors.
Nursing Home/Assisted Living/LTC	A surcharge of 25% of developed premium before debits/credits will be added to Firms that do more than 50% staffing of Nursing Home Facilities or Assisted Living Centers.
High Tech/Critical Care	A surcharge of 25% of developed premium before debits/credits will be added to Firms performing High Tech (i.e. Trach care, Ventilator care, Chemotherapy, etc.) or Critical Care.

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

4. Separate Limits

Separate Limits are optional. When selected, the following debit structure is applied based upon the corresponding number of employees:

# of ratable employees	Debit
1	10.0%
2 - 9	12.0%
10 - 14	15.5%
15 or more	17.5%

F. General Liability

- Optional General Liability coverage may be purchased by self-employed incorporated individuals or firms with a \$1,000,000 aggregate limit. The annual rate is stated on the state rate page for the first facility based practice location.
- When a firm has multiple practice locations, and requests General Liability coverage, a \$50 charge per additional practice location will apply.
- When a firm provides home healthcare, staffing or fitness, the annual rate will be 25% of the developed Professional Liability rate, subject to \$150 per policy minimum.
- Other limits are available and associated with the following factors (which are with respect to the \$1M/\$1M rate).

Increased Limit	Increased Limit Factor
\$1,000,000 / \$1,000,000	1.00
\$1,000,000 / \$2,000,000	1.13
\$1,000,000 / \$3,000,000	1.21
\$1,000,000 / \$4,000,000	1.28
\$1,000,000 / \$5,000,000	1.33
\$1,000,000 / \$6,000,000	1.37
\$1,000,000 / \$7,000,000	1.39
\$1,000,000 / \$8,000,000	1.40
\$2,000,000 / \$4,000,000	1.98
\$2,000,000 / \$5,000,000	2.00
\$2,000,000 / \$6,000,000	2.01
\$2,000,000 / \$7,000,000	2.02
\$2,000,000 / \$8,000,000	2.03

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

G. Deductibles

When deductible options are requested or required, the following credits should be applied to the developed policy premium. When General Liability is offered, the same deductible amount must be provided for both Professional Liability and General Liability.

Amount	Credit
\$0	0%
\$1,000	1%
\$2,500	2.5%
\$5,000	5%
\$10,000	10%
\$15,000	11%
\$20,000	13%
\$25,000	15%

H. Additional Insured

Where eligible, additional insured coverage may be added to the policy on a shared limits of liability basis. The rate will be 5% of the policy premium each subject to a minimum premium of \$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

I. Consulting Services Liability

Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Consultant. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Firm's area of specialization.

J. Case Management Services Liability

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Case Manager. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, developing treatment plans or managing a patient's total care.

K. Medical Director or Administrator Liability

Medical Director or Administrator coverage may be added to the policy on a Sub-limit basis. The Limit of Liability for this coverage: \$100,000 Each Claim / \$300,000 Aggregate is a sub-limit of the Professional Liability Limit shown on the Certificate of Insurance. The rate for each Medical Director or Administrator will be \$500 or 10% of the base premium, whichever is higher. The Medical Director or Administrator Liability endorsement extends Professional Liability coverage to include Administrative Services provided by a Physician or other Administrator.

L. Damage to Property of Others

Optional Damage to Property of Others aggregate limit may be increased to \$25,000 for a charge of \$50.00.

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

XX. RULES FOR SCHOOL BLANKET

The following rules are applicable to the School Blanket Policy for Healthcare Provider Students
ISO Code: 80998.

A. Coverage

The following coverage will be provided to School Blanket on a shared limit of liability basis:

1. **Professional Liability** coverage for damages as a result of a claim arising out of a medical incident or personal injury out of the supplying of, or failure to supply services by a student or faculty and advisor of the named insured school; including vicarious liability for the school; includes **Personal Injury Liability**.
2. Grievance Proceedings
3. Defendant Expense Benefit
4. Deposition Representation
5. Assault
6. Medical Payments
7. First Aid
8. Damage to Property of Others

B. Limits of Liability

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability			
Professional Liability	\$ 1,000,000	each claim	\$ 5,000,000	aggregate
Personal Injury Liability	\$ included in PL limit above			
Grievance Proceedings	\$ 1,000	per proceeding	\$ 10,000	aggregate
Defendant Expense Benefit	\$		\$ 10,000	aggregate
Deposition Representation	\$ 1,000	per incident	\$ 5,000	aggregate
Assault	\$ 1,000	per incident	\$ 25,000	aggregate
Medical Payments	\$ 2,000	per person	\$ 100,000	aggregate
First Aid	\$ 500	per incident	\$ 25,000	aggregate
Damage to Property of Others	\$ 250	per incident	\$ 10,000	aggregate

C. School Rates & Policy Minimum

1. Calculations will be made based on the estimated number of students (total annual headcount) in each of the covered curricula at the inception of the policy period.
2. Premium will be collected or returned for additions or deletions if the change modifies the student count by 25% or more when the change occurs during the first six months of the policy term. If the change occurs in the second half of the policy term, the policy will be reconciled at renewal.
3. A \$300 minimum annual premium shall apply to each School Blanket policy.

D. Supplemental Modifications – School Blanket

Modifications developed under the following shall be summed and applied as a single factor, subject to a maximum credit of 25%. Such credits shall apply on a one year basis, and will be subject to annual review.

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

1. Claim-Free Credit

A 10% credit applies if there have been no claims reported to the Company during the past three policy periods and the Company has provided coverage during each of those policy periods.

2. Longevity Credit

At the inception of a fourth consecutive policy period, a 5% credit will be granted to a school that has been insured in this program for the three preceding years.

3. Size of School Modification

The following credits will be applied based on the number of students covered on the policy:

Number of Students	Credit
500 – 1,000	5%
1,001- 2,499	10%
2,500+	15%

E. Additional Insured

Additional insured requests for a landlord, government organization, charity or religious organization may be added to the policy on a shared limit of liability basis for no additional charge. Such additional insured shall be covered for their vicarious liability only as their interest appears.

DISTRICT OF COLUMBIA (08)

COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PA

I. STATE ENDORSEMENTS

- | | | |
|---|--------------|---------------------------|
| A. Professional Liability
State Provisions | G-123846-C08 | Mandatory on all policies |
| B. Student Blanket
State Provisions | G-144931-A08 | Mandatory on all policies |

II. AMENDED RULES

Reserved for future use.

**COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PA**

III. RATES

A. All rates indicated below are for Professional Liability limits of \$1,000,000 each claim, with a \$6,000,000 annual aggregate.

CLASS		EMPLOYED	SELF-EMPLOYED
I	A	79	220
	B	93	312
	C	93	260
II		93	312
III	A	106	345
	B	93	260
	C	93	182
	D	93	100
	E	106	345
IV	A	146	390
	B	93	182
	C	115	323
V		156	312
VI	A	156	182
	B	182	312
VII	A	208	988
	B	156	182
VIII	A	166	239
	B	151	217
	C	78	78
IX	A	164	467
	B	83	234
X		---	---
XI	A	683	842
	B	964	1,191
	C	1,247	1,539
	D	1,530	1,890
	E	275	N/A
	F	512	631
XII		82	140
XIII		62	260
XIV		51	182
XV	A	125	300
	B	450	950
	C	125	330
	D	125	265
XVI	A	3,998	3,998
	B	4,998	4,998
	C	5,997	5,997
	D	156	N/A
	E	3,998	3,998
XVII	A	731	731
	B	156	N/A

DISTRICT OF COLUMBIA (08)

**COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PA**

B. Student Rates

The rate for an individual healthcare student is \$29, except where otherwise specified in class rate schedule III. A.

C. General Liability

Base General Liability limits of \$1,000,000 for each claim, with a \$1,000,000 annual aggregate may be purchased for \$150 **minimum base rate subject to the provisions of rule XIX. F.**

D. Student Blanket

The rate is \$13 per student for all specialties at \$1,000,000/\$5,000,000 limit of liability.

SERFF Tracking Number: CNAC-126164098 State: District of Columbia
 Filing Company: American Casualty Company of Reading - PA State Tracking Number:
 Company Tracking Number: 09-00025-RL
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations
 Made/Occurrence
 Product Name: Healthcare Providers Services Organization Program
 Project Name/Number: HPSO RPG/2009040233

Supporting Document Schedules

Review Status:

Satisfied -Name: Cover Letter All Filings 05/26/2009
Comments:
Attachment:
 dc rates coverletter.pdf

Review Status:

Bypassed -Name: Consulting Authorization 05/26/2009
Bypass Reason: No third party
Comments:

Review Status:

Satisfied -Name: Actuarial Certification (P&C) 05/26/2009
Comments:
Attachment:
 rate certification.pdf

Review Status:

Satisfied -Name: District of Columbia and 05/26/2009
 Countrywide Experience for the
 Last 5 Years (P&C)
Comments:
Attachments:
 DC Actuarial Memo 2009.pdf
 Registered Nurses Rate Indication Explanation.pdf
 Filing Exhibits I to VI.pdf

Review Status:

Bypassed -Name: District of Columbia and 05/26/2009
 Countrywide Loss Ratio Analysis
 (P&C)
Bypass Reason: n/a refer to component 4

Comments:



40 Wall Street – 9th Floor
New York, New York 10005

John Lockhart
Regulatory Filings Technician
P & C State Filing Unit
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3270
Facsimile: 212-440-2877
email john.lockhart@cna.com

May 28, 2009

Commissioner of Insurance
District of Columbia Department of
Insurance Securities and Banking
810 1st Street NE Suite 701
Washington, DC 20002

RE: American Casualty Company of Reading, PA NAIC No.: 20427 FEIN: 23-0342560
Healthcare Providers Services Organization Risk Purchasing Group
Rates Filing
Filing No.: 09-00025-RL

Honorable Commissioner:

On behalf of American Casualty Company of Reading, PA we hereby submit for your review and approval the captioned rates and rules for use with our Healthcare Providers Services Organization Program currently on file with your department.

Attached for your review are:

- the actuarial memorandum which outlines the changes proposed by this filing;
- revised CW manual pages;
- revised State exception pages,

We wish this filing to be applicable to all policies effective on or after July 15, 2009 for new business and on or after October 15, 2009 for renewals; or the earliest date permitted by your state.

Sincerely,

John Lockhart

John Lockhart

DISTRICT OF COLUMBIA**DEPARTMENT OF INSURANCE SECURITIES & BANKING****INSURANCE RATE AND RULE FILING CERTIFICATION**

A. Name of company or rating organization and mailing address

American Casualty Company of Reading, PA
 CNA Insurance Companies, 333 S. Wabash Ave.
 Chicago, IL 60604

B. Date of Filing 6/3/2009C. Line of Business 11.0Proposed Effective Date 7/15/2009Notes: N/A A Premium Survey Form must be attached to every private passenger auto filingX All information shall be for the District of Columbia only, unless otherwise specifiedX Provide a filing memorandum which fully states the purpose of the filingD. Is this an independent filing Yes or a "me too" filing or a filing related to the approved filing of a rating organization ?

If not an independent filing, specify approval date and reference number (if applicable) of the related filing

E. List all rate level changes for the District of Columbia policies for the last five years:

<u>Effective Date</u>	<u>Overall Rate Level Change</u>
<u>5/28/2007</u>	<u>0.0%</u>
<u>12/21/2005</u>	<u>6.2%</u>
<u>5/2/2005</u>	<u>16.5%</u>
<u>9/1/2004</u>	<u>16.1%</u>

F. Show the change in the number of policies in force in the District of Columbia over the last five years:

Mandatory

Number of Policies in Force (as December 31st)

	<u>Voluntary</u>		<u>Assigned</u>	<u>Grand</u>	<u>Percent</u>
	<u>New</u>	<u>Renewal</u>	<u>Risk</u>	<u>Total</u>	<u>Growth</u>
5th Prior Year	<u>249</u>	<u>566</u>	<u>0</u>	<u>815</u>	<u>xxxx</u>
4th Prior Year	<u>232</u>	<u>628</u>	<u>0</u>	<u>860</u>	<u>5.5%</u>
3rd Prior Year	<u>222</u>	<u>659</u>	<u>0</u>	<u>881</u>	<u>2.4%</u>
2nd Prior Year	<u>182</u>	<u>658</u>	<u>0</u>	<u>840</u>	<u>-4.7%</u>
1st Prior Year	<u>184</u>	<u>650</u>	<u>0</u>	<u>834</u>	<u>-0.7%</u>

- G. Show the maximum and minimum rate level effect of this filing by coverage. These effects shall illustrate the maximum increase (or smallest decrease) and minimum increase (or largest decrease), which will result to any one insured from the proposed changes to rates and/or rating factors.

The calculation of these effects shall be: the proposed change in the base rate, times the maximum (or minimum) change to each rating factor affecting coverage.

Percentage Minimum	Rate Level Maximum	Changes	
N/A	15.00%	15.00%	Self-Employed Nurses
N/A	8.10%	8.10%	Employed Nurses
N/A	0.0%	0.0%	Other Nurses

- H. Please provide information on the actuarial supporting data:

(1)	Calendar Year	_____	Basic Limits	_____
	Accident Year	X _____	Total Limits	X _____
	Policy year	_____		
	Other (Specify)	_____		

If total limits data has been provided, specify the part of the filing that illustrates how large losses have been considered.

Not considered since we are using countrywide indication.

- (2) All rate filings shall mathematically consider investment income, pursuant to D.C. Code Section 31-2703(6), 2001 Edition (as amended).
Specify the part of the filing which mathematically determines investment income:
Please see Exhibits I-VI, attached.

- (3) Please provide a chart showing the number of earned exposures for each coverage and each year of experience.

Coverage is not applicable for this product. Please see the earned exposures below:

2003	768
2004	833
2005	867
2006	858

- (4) Please provide a chart showing the actual written premium by coverage, which was used to calculate the overall percentage rate change.

Coverage is not applicable for this product. Please see the 2008 premiums below for the Nurses classes involved in this rate change.

Employed Nurses	\$39,736
Self-Employed Nurses	\$18,638

- I. The following data for the District of Columbia should be submitted from page 15 of the Annual Statement for the most recent two years.

<u>Coverage</u>	<u>Most Recent Year (2008)</u>			
	<u>Direct Premium</u>		<u>Direct Losses</u>	
	<u>Written</u>	<u>Earned</u>	<u>Paid</u>	<u>Incurred</u>
Medical Malpractice	<u>224,724</u>	<u>230,953</u>	<u>0</u>	<u>-1,983,129</u>

<u>Coverage</u>	<u>Prior Year (2007)</u>			
	<u>Direct Premium</u>		<u>Direct Losses</u>	
	<u>Written</u>	<u>Earned</u>	<u>Paid</u>	<u>Incurred</u>
Medical Malpractice	<u>213,800</u>	<u>186,075</u>	<u>0</u>	<u>56,164</u>

Most Recent Year (2008)
Underwriting Income/Earned Premium 937.30%

As an authorized representative of the Company or rating organization, I hereby certify that to the best of my knowledge and belief the attached filing complies with all applicable laws, regulations and bulletins of the District of Columbia.

Robert Anderson, ACAS

NAME OF AUTHORIZED REPRESENTATIVE

SIGNATURE (REQUIRED)

Actuarial Consulting Director, Proprietary Rating
TITLE

312/822-7980

TELEPHONE NUMBER

robert.anderson@cna.com
E-MAIL ADDRESS

American Casualty Company of Reading, PA
Healthcare Providers Service Organization
Professional Liability
District of Columbia
CNA Filing ID # 09-00025-RL

Actuarial Memorandum

American Casualty Company of Reading Pennsylvania (ACCO) is proposing a number of changes to its Healthcare Providers Service Organization program. The overall impact of these changes is 3.4%. We are requesting these changes be applicable to all new business effective on or after 7/15/2009 and renewal business effective on or after 10/15/2009. These changes are itemized below:

Changes to Countrywide Pages

1. Extended Reporting, Section XII – I. We have added the phrase “with ACCO” to the table of discounts. This is just meant to clarify that these discounts are only valid for policies written through ACCO. There is no rate impact for any insured.
2. Rules for Firms, Section XIX - E - 4. We have changed the language from “All ratable employees and the corporation may be provided separate limits” to “Separate limits are optional.” There is no rate impact for any insured.
3. ISO Classification Codes, Section XV. Descriptions have been added for the new classes of business we plan to write. Please see #2 in the section “Changes to State Pages” below.
4. Supplemental Modifications, Section XVIII C.
 - a. A comment has been added that policies are subject to a maximum credit of 50%. This change results in no premium impact.
 - b. Part-Time: We are enhancing the coverage to part-time insureds by offering full limits even if the part-time credit is applied.
 - c. Individual Risk Management Credit: We are adding the ability to receive this credit on an annual basis if the insured meets specified qualifications intended to encourage risk management and patient safety.
 - d. Damage to Property of Others: The current policy provides this coverage to both individuals and firms with basic limits of \$500/\$10,000 and \$2,500/\$10,000, respectively. Going forward we would like to offer the option of a \$25,000 aggregate limit for a flat charge of \$50. Also refer to section XIX – L for the Rule for Firms.

Changes to State Pages

1. Due to poor countrywide experience, we are proposing an increase to the base rate for registered nurses from \$98 to \$106 (+8.1%) for Employed Nurses and \$300 to \$345 (+15.0%) for Self-Employed Nurses. Please refer to the state rate page, section III, class III-A.
2. We are adding three new classes of business that are currently not underwritten by ACCO. Since these are new, we have no specific class experience upon which to base our rates. Therefore, rates were developed based on underwriter and actuarial judgment.

Please refer to the state rate page, section III.

- a. Clinical Nurse Specialists (CNS) with NO prescriptive authority (Class III-E)

These are trained nurses with a Masters degree who work with patients, similar to registered nurses, but are precluded from prescribing medications either by level of licensure or certification, or has chosen never to use such authority in their daily practice. Claims arising from the CNS's use of prescriptive authority will be specifically excluded. Therefore, this class will not have any additional exposure over a registered nurses and it will be given the same base rate as our registered nurses class (III-A).

b. Clinical Nurse Specialists WITH prescriptive authority

These are trained nurses with a Masters degree who work with patients, similar to nurse practitioners, and are licensed or certified for prescriptive authority and use such authority.

When a CNS provides 50% or more of their services to direct patient care, they are rated within their area of specialization same as our current nurse practitioners (class groups XI-A to D).

In this filing, we are adding a separate class (XI-F) for those CNS with prescriptive authority who provide less than 50% of their services to direct patient care, which is typical of nurses working in education, consulting, administration, or research. The base rate will be 25% lower than those NP's in rate class XI-A.

c. Registered Radiologist Assistant (Class XVI-E)

Radiologic Assistants act as an extender provider of the radiologist similar to that of a physician/physician assistant relationship. Therefore, this class will be charged the base rate of our physician assistant class 1 (XVI-A) respective of the territory.

3. Language has been added to clarify/reinforce our GL minimum for firms. Please refer to the state rate page, section III C. This has no rate impact on any insured.
4. State Endorsements, Section I. The list of student blanket endorsements has been added. Although these endorsements have been previously approved and in use, they were not explicitly mentioned in state pages.

A revised version of state exception pages, reflecting the changes outlined above are included with this submission.

Healthcare Providers Service Organization
Professional Liability
Registered Nurses
Indicated Rate Change
Explanatory Memorandum
June 1, 2009

The attached Exhibits I through VI provide countrywide actuarial support for our filed rate increases for Registered Employed and Self-Employed Nurses.

Exhibit I provides our rate indication of +21.0% (17) for Registered Nurses, or 9.3% (19) for Total Nurses. Our indication is only based on results for Registered Nurses. The indication for all Nurses would be 9.3% (19) since Registered Nurses represent 44.2% (18) of our total Nurse book of business. The information provided is self-explanatory. Our Total Ultimate Adjusted Loss & LAE Ratio of 69.3% (14) relative to our Permissible Loss Ratio of 57.3% (15) generates our Indicated Rate Change of 21.0% (16) for Registered Nurses.

Exhibit IIA gives our Incurred Loss & ALAE triangle that generates the ultimates in Exhibit I (1).

Exhibit IIB gives the Reported Claim Count triangle that generates the ultimate claim counts that are used to calculate the accident year severities in Exhibit IIA to calculate our annual severity trend factor of 3.6%.

Exhibit III gives the accident year trend adjustments in Exhibit I (3) based on the annual severity trend of 3.6% in Exhibit IIA.

Exhibit IV (L) gives the calculation of our Target Permissible Loss & LAE Ratio of 57.3%.

Exhibit V gives the calculation of our loss discount factor of .791 which is used to discount losses in Exhibit IV (G) for investment income.

Exhibit VI (3) gives the calculation of our Interest Rate After Tax of 4.3% used to discount our paid in Exhibit V.

In our judgment our premium and loss experience support our filed rate change.

**Registered Nurses Liability
Countrywide
Exhibit I - Rate Indications
09/30/08**

Accident Year	Liability				Premiums				
	Ultimate Loss & ALAE			Trended Ultimate Loss (2) x (3)	Earned Premium	On-Level Factor	On-leveled Earned Premium (5) x (6)	Ultimate Adjusted Loss & ALAE Ratio (4) / (7)	Accident Year Weights
	(1) Ultimate Exhibit II	(2) Selected Ultimate (1)	(3) Trend Factor Exhibit III						
2003	34,788	34,788	1.291	44,896	56,043	1.161	65,048	69.0%	0%
2004	27,503	27,503	1.246	34,273	56,753	1.160	65,808	52.1%	0%
2005	43,005	43,005	1.203	51,748	58,993	1.144	67,491	76.7%	0%
2006	40,472	40,472	1.162	47,026	61,395	1.100	67,531	69.6%	0%
2007	29,484	29,484	1.122	33,081	63,424	1.061	67,293	49.2%	0%
Total	140,463	140,463		211,024			333,171	63.3%	100%

Liability

(10)	Weighted Ultimate Adjusted Loss & ALAE Ratio (8) x (9)	63.3%
(11)	Selected Ultimate Adjusted Loss & ALAE Ratio	63.3%
(12)	ULAE Factor	9.4%
(13)		
(14)	Total Ultimate Adjusted Loss & LAE Ratio (11) x [1 + (12)]	69.3%
(15)	Permissible Loss Ratio - Exhibit V	57.3%
(16)	Indicated Rate Change (14) / (15) -1	21.0%
(17)	Registered Nurse Indicated Rate Change = (16)	21.0%
(18)	Registered Nurse Mix	0.442
(19)	Total Nurses Indicated Rate Change (17) x (18)	9.3%

**Registered Nurses Liability
Countrywide
Exhibit IIA - Triangles
9/30/2008**

Incurred & ALAE Loss Triangles

[illegible]

Development Factors

[illegible]

5yr Ex.Hi Low	12.646	3.085	2.092	1.146	1.064	1.067	1.080	0.991	1.000	1.000	1.000	1.000	1.000	1.002
5yr Wgt. Avg.	6.227	3.584	2.065	1.176	1.080	1.037	1.078	0.988	1.045	1.000	1.000	1.000	1.000	1.002
4yr Wgt. Avg.	8.273	3.671	2.146	1.179	1.088	1.024	1.078	0.985	1.027	1.000	1.000	1.000	1.000	1.002
3yr Wgt. Avg.	10.865	4.289	2.162	1.179	1.095	1.005	1.081	0.996	1.041	1.000	1.000	1.000	1.000	1.002

Selection	6.227	3.584	2.065	1.176	1.080	1.037	1.078	0.988	1.000	1.000	1.000	1.000	1.000	1.002	
Cumulative	64.590	10.372	2.894	1.402	1.192	1.104	1.064	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Accident Year	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Ultimate Loss & LAE		29,484	40,472	43,005	27,503	34,788	27,305	20,809	12,959	14,637	18,025	13,823	11,300	13,861	9,941

[illegible]

**Registered Nurses Liability
Countrywide
Exhibit IIB - Triangles
9/30/2008**

Reported Claim Counts

Accident Year	Age in Months														
	9	21	33	45	57	69	81	93	105	117	129	141	153	165	177
1994	77	460	709	820	852	868	877	880	883	885	888	890	890	891	891
1995	190	481	706	813	854	874	876	881	886	886	888	890	890	890	
1996	61	228	370	465	503	518	525	533	535	537	538	539	539		
1997	48	204	396	526	565	587	596	607	615	617	619	619			
1998	76	238	450	588	648	673	688	695	705	709	715				
1999	32	194	405	578	658	689	706	712	715	720					
2000	36	209	442	594	669	703	722	730	738						
2001	41	286	566	718	793	830	849	857							
2002	91	428	754	974	1,055	1,097	1,123								
2003	145	486	776	1,037	1,153	1,198									
2004	121	373	673	882	977										
2005	84	363	650	875											
2006	115	411	715												
2007	153	521													
2008	397														

Development Factors

1994	5.974	1.541	1.157	1.039	1.019	1.010	1.003	1.003	1.002	1.003	1.002	1.000	1.001	1.000	
1995	2.532	1.468	1.152	1.050	1.023	1.002	1.006	1.006	1.000	1.002	1.002	1.000	1.000		
1996	3.738	1.623	1.257	1.082	1.030	1.014	1.015	1.004	1.004	1.002	1.002	1.000			
1997	4.250	1.941	1.328	1.074	1.039	1.015	1.018	1.013	1.003	1.003	1.000				
1998	3.132	1.891	1.307	1.102	1.039	1.022	1.010	1.014	1.006	1.008					
1999	6.063	2.088	1.427	1.138	1.047	1.025	1.008	1.004	1.007						
2000	5.806	2.115	1.344	1.126	1.051	1.027	1.011	1.011							
2001	6.976	1.979	1.269	1.104	1.047	1.023	1.009								
2002	4.703	1.762	1.292	1.083	1.040	1.024									
2003	3.352	1.597	1.336	1.112	1.039										
2004	3.083	1.804	1.311	1.108											
2005	4.321	1.791	1.346												
2006	3.574	1.740													
2007	3.405														

5yr Ex.Hi Low	3.444	1.764	1.313	1.108	1.045	1.024	1.010	1.009	1.000	1.000	1.000	1.000	1.000	1.000	
5yr Wgt. Avg.	3.485	1.731	1.312	1.105	1.044	1.024	1.011	1.009	1.004	1.000	1.000	1.000	1.000	1.000	
4yr Wgt. Avg.	3.526	1.723	1.321	1.102	1.043	1.024	1.010	1.011	1.005	1.000	1.000	1.000	1.000	1.000	
3yr Wgt. Avg.	3.679	1.777	1.331	1.101	1.041	1.024	1.010	1.010	1.005	1.000	1.000	1.000	1.000	1.000	

Selection	3.485	1.731	1.312	1.105	1.044	1.024	1.011	1.009	1.000	1.000	1.000	1.000	1.000	1.000	
Cumulative	9.545	2.739	1.582	1.206	1.091	1.045	1.021	1.009	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Accident Year	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Ultimate Reported Claim Count	3,790	1,427	1,131	1,055	1,066	1,252	1,146	865	738	720	715	619	539	890	891

**Registered Nurses Liability
Countrywide
Exhibit III - Trend
9/30/2008**

Used Trend in Rate Indication

3.6%

Exhibit IIA

Effective Date	10/15/2009	
Trend Date	10/15/2010	3.29

**Accident
Year**

**Trend
Factors**

**2003
2004
2005
2006
2007**

**1.291
1.246
1.203
1.162
1.122**

**Registered Nurses Liability
Countrywide
Exhibit IV - Permissible Loss Ratio
9/30/2008**

A	Target Return on Equity	12%
B	Target Premium to Surplus Ratio	1.30
C	Target Return on Premium = A/B	9.2%
D	Expense Ratio per M	45.5%
E	Taxes Included in Other Acquisition	0.0%
F	Target Nominal L&LAE Ratio = 100% - C - D - E	45.3%
G	Loss + ALAE Discount Factor per Exhibit VI	0.791
H	Target Discounted L&LAE Ratio = F / G	57.3%
I	Adjustment for Investment Income (H) - (F)	12.0%
J	Target Combined Ratio = D + E + H	102.8%
K	Underwriting Profit = 1 - J	-2.8%
L	Target Permissible L&LAE Ratio = H	57.3%
Expenses		
	Underwriting Expense	3.2%
	Commission	20.0%
	Taxes	1.4%
	Other Acquisition	20.9%
M	Total	45.5%

**Registered Nurses Liability
Countrywide
Exhibit V - Loss Discount Factors
9/30/2008**

Paid Loss & ALAE

[illegible]

**Registered Nurses Liability
Countrywide
Exhibit VI - Interest Rate After Tax
9/30/2008**

(1)	Investment Income & Capital Gains to Assets 2003-2007	5.9%
(2)	Tax Rate on Investment Income	27.83%
(3)	Interest Rate After Tax	4.3%

Calculation of Average Rate of Federal Income Tax

	<u>2007 Investment Income Earned</u>	<u>2007 Federal Income Tax Rate</u>
<u>Bonds</u>		
(1) Taxable	1,289,936	35.00%
(2) Non-Taxable	248,785	5.25% (A)
(3) Total	1,538,721	30.19%
<u>Stocks</u>		
(4) Taxable	15,802	11.20% (B)
(5) Non-taxable (Affiliates)	175,245	0.00%
(6) Total	191,047	0.93%
(7) Mortgage Loans on Real Estate	0	
(8) Real Estate	5,145	
(9) Contract Loans	0	
(10) Cash / Short-Term Investments	140,433	
(11) Derivative Instruments	0	
(12) Other Invested Assets	83,117	
(13) Sub-Total	228,695	35.00%
(14) Total	1,958,463	27.90%
(15) Aggregate Write-In for Investment Income	23,108	35.00%
(16) Investment Deductions	41,583	35.00%
(17) Net Investment Income Earned	1,939,988	27.83%

Notes:

(A) Income on tax-exempt bond is subject to proration; that is, 15% of that income is taxed at a full corporate income tax rate of 35%. The applicable tax rate is thus 5.25% (.15 * .35 = .0525).

(B) 20% of dividend income is subject to a full corporate income tax rate of 35% 15% of the remaining 80% of dividend income is taxed at a rate of 35%. The applicable tax rate is thus 11.2% ((.20 * .35) + (.8 * .15 * .35) = .0112).

Data Source:

2007 Continental Casualty Company Combined Annual Statement"

- (1) Annual Statement Page 12, Sum of Lines 1 and 1.2, Column 2
- (2) Annual Statement Page 12, Sum of Lines 1.1 and 1.3, Column 2
- (3) = (1) + (2)
- (4) Annual Statement Page 12, Sum of Lines 2.1 and 2.2, Column 2
- (5) Not included - Annual Statement Page 12, Sum of Lines 2.11 and 2.21, Column 2
- (6) = (4) + (5)
- (7) Annual Statement Page 12, Sum Line 3, Column 2
- (8) Annual Statement Page 12, Sum Line 4, Column 2
- (9) Annual Statement Page 12, Sum Line 5, Column 2
- (10) Annual Statement Page 12, Sum Line 6, Column 2
- (11) Annual Statement Page 12, Sum Line 7, Column 2
- (12) Annual Statement Page 12, Sum Line 8, Column 2
- (13) = Sum of (7) through (12)
- (14) = (3) + (6) + (13)
- (15) Annual Statement Page 12, Sum Line 9, Column 2
- (16) Annual Statement Page 12, Sum Line 16, Column 2
- (17) = (14) + (15) - (16)

CNA Insurance Companies
Investment Income & Capital Gains
Summary 2003 - 2007

		Annual Statements					
		2003	2004	2005	2006	2007	Total
(1)	Net Investment Income Earned	1,686,322	1,292,777	2,146,304	1,787,508	2,074,979	8,987,890
(2)	Net Realized Capital Gains or Losses	64,601	269,474	-11,917	-50,467	-464,625	-192,934
(3)	Total Investment Gain (1) + (2)	1,750,923	1,562,251	2,134,387	1,737,041	1,610,354	8,794,956
(4)	Net Unrealized Capital Gains or Losses	75,157	614,338	-492,417	540,883	-54,348	683,613
(5)	Total (3) + (4)	1,826,080	2,176,589	1,641,970	2,277,924	1,556,006	9,478,569
(6)	Mean Cash & Invested Assets	27,739,149	30,718,593	32,036,223	34,057,373	35,646,588	160,197,926
Net Investment Income & Capital Gains / Mean Cash & Invested Assets							
(7)	Net Investment Income Earned (1) / (6)	6.1%	4.2%	6.7%	5.2%	5.8%	5.6%
(8)	Net Realized Capital Gains or Losses (2) / (6)	0.2%	0.9%	0.0%	-0.1%	-1.3%	-0.1%
(9)	Total Investment Gain (3) / (6)	6.3%	5.1%	6.7%	5.1%	4.5%	5.5%
(10)	Net Unrealized Capital Gains or Losses (4) / (6)	0.3%	2.0%	-1.5%	1.6%	-0.2%	0.4%
(11)	Total (5) / (6)	6.6%	7.1%	5.1%	6.7%	4.4%	5.9%